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COMMITTEE FOR A RESPONSIBLE FEDERAL BUDGET

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### **Key Questions the Media Should Ask the Presidential Candidates**

**1) Budget Deficits** – The presidential candidates have set the goal of cutting the budget deficit in half in four or five years. By that time, the first baby boomers will have started to retire. Previously, members of both parties – including the candidates – agreed to save the *entire* Social Security surplus. Now they are proposing to spend all of it, and then some.

*Questions for the candidates:*

- While many economists believe that deficits make sense during a recession, do you think we should continue to run deficits now that the economy is recovering?
- Is there a date by which you think we should have a balanced budget? Are there additional measures we would have to take other than the policies you are advocating to achieve balance? Will you develop a detailed plan to balance the budget during your campaign? When do you plan to release it?
- Given that it now seems certain that security costs will be higher in coming years, should we continue to borrow to pay for them or should we budget for them and pay for them directly?
- What specific spending reductions do you support?
- Do you prefer raising taxes, reducing spending, or both to close the budget gap? If you believe we can grow our way out of the projected deficits, how much higher would economic growth have to be?

**2) Government Debt** – The United States is projected to increase the debt held by the public by over \$1.5 trillion between now and 2010. In order to accommodate additional government borrowing, the debt ceiling will have to be increased in the next few months.

*Questions for the candidates:*

- Do you favor increasing the debt ceiling?
- How much do you plan to borrow in each of the years of your Presidency?
- Should the government aim to repay some or all of the debt it has borrowed in the past?
- At what size do you believe the debt harms the economy? At \$4.3 trillion (\$7.3 trillion if you include the debt owed to government trust funds), is it too large now?

**3) Division of Resources** – The federal government spends roughly eight dollars per senior for every one dollar it spends per child.

*Questions for the candidates:*

- Do you believe this is an appropriate division of resources?
- If not, what policy changes would you make?

## Media Questions Continued...

**4) Size of Government** – If government retirement and health care programs grow as projected, the federal government will grow from roughly 20 to 30 percent of GDP in coming decades, a 50 percent increase.

*Questions for the candidates:*

- What size of GDP do you think the government should be?
- To deal with the long-term growth, do you support allowing these programs to grow as scheduled and raising taxes to pay for them, reducing promised benefits, or is there another option?
- Would you make these changes when you were President?

**5) Social Security** – Social Security is projected to start running cash deficits in 2018. The Trustees of the program have repeatedly suggested making changes to deal with the imbalances sooner rather than later. Because Social Security benefits are currently indexed to wage growth, and thus grow as the economy does, we cannot “grow” our way out of the problem.

*Questions for President Bush:*

- You have stated that you support creating individual accounts as part of Social Security. While accounts can be structured to save money over the longer-run, they cost money to start. How would you pay for them?
- What size accounts do you favor?

*Question for Senator Kerry:*

- You have focused on the specific policies you would not choose to address the problems in Social Security. But if we do nothing, Social Security will not have the funds to pay promised benefits. What reforms do you favor?

**6) Medicare** – The Medicare program is projected to start running cash deficits within a decade.

*Questions for the candidates:*

- What are your proposals to address the shortfall in Medicare?
- In hindsight, given large budget deficits, should we have found a way to pay for the new prescription drug program? If you want to expand the program, would you pay for any expansions you propose?